

Before the  
Federal Communications Commission  
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

306

The Application by SBC Communications Inc. )  
For Authorization Under Section 271 )  
of the Communications Act to Provide )  
In-Region, Interlata Service in the State of California )

WC Docket No. 02-306

**COMMENTS OF THE CALIFORNIA SMALL BUSINESS ROUNDTABLE AND  
CALIFORNIA SMALL BUSINESS ASSOCIATION  
ON THE APPLICATION BY SBC COMMUNICATIONS INC. FOR  
AUTHORIZATION UNDER SECTION 271 OF THE COMMUNICATIONS ACT  
TO PROVIDE IN-REGION, INTERLATA SERVICE IN THE STATE OF  
CALIFORNIA**

Maryanne McCormick  
California Small Business Roundtable  
California Small Business Association  
954 Carol Lane  
Lafayette, CA 94549  
925/283-6264

October 9, 2002

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**Comments of the California Small Business Roundtable (CSBRT) and  
California Small Business Association (CSBA)  
Regarding the Application by SBC Communications Inc. for Authorization  
Under Section 271 of the Communications Act to Provide In-Region,  
Interlata Service in the State of California**

**Summary**

CSBRT/CSBA<sup>1</sup> support the entry of any carrier, including SBC-Pacific  
Bell, into the long distance market in California. We believe that such entry

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<sup>1</sup> The California Small Business Association (CSBA) is a 501(c)(6), nonprofit organization that grew out of the 1980 White House Conference on Small Business. It is a grassroots, volunteer-driven organization dedicated to helping members "grow their businesses", informing members about government programs and other resources available to assist them and advocating the views of small business in Congress, California Legislature and federal and state agencies. CSBA regularly polls its members on public policy issues affecting small business and receives guidance from its California Small Business Roundtable (CSBRT) which consists of 40 leading small business owners from across the State. In October 1998, CSBRT was incorporated as a nonprofit public benefit corporation to, among other things, provide general advocacy on behalf of small businesses in California, disseminate information relevant to such businesses and represent the interests of small businesses before various public agencies. Together, CSBA and CSBRT represent approximately 187,000 members, all

holds out the promise of (1) increasing competition in the long distance market and lowering prices for small business and residential customers in California, (2) enabling all providers to offer local, toll, long distance, wireless and other services for small business and residential customers, and (3) giving the long distance carriers a strong incentive to compete for small business and residential customers in the local exchange market. Therefore, we urge the Commission to grant SBC Communication Inc.'s application for authorization under Section 271 of the Communications Act to Provide In-Region, Interlata Service in California.

#### **I. SMALL BUSINESS WELCOMES GREATER CHOICE**

Small business and residential consumers spend billions of dollars each year on telecommunications services. Like any prudent customer, we expect excellence in service, quality and price. To that end, to get the most value for our telecommunications dollar, small businesses prefer a choice of providers, low rates, convenient one-stop shopping and responsive customer service. Instead, however, many small businesses still have few, if any, competitive choices for some services and generally cannot choose one provider to supply all of their telecommunications needs.

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of who have a vital interest in this proceeding as business and residential telephone customers.

This lack of choice persists at a time when small businesses need as much flexibility as possible to cope with an uncertain economic environment. While most remain optimistic about their future, small businesses feel the affects of the regional and national downturn. In this climate, they must reevaluate all aspects of their business to operate more efficiently.

We believe allowing Pacific Bell to compete with other carriers for our long distance dollars will lower prices all across the board. Naturally, we expect rates for long distance to decrease as more companies compete for our business. We also anticipate that increased competition in the long distance market and the ability of more companies to offer “one-stop shopping,” will prompt more competition for our local service dollar. Companies can develop better packages as a result of previous decisions at the Federal Communications Commission (“Commission”) and the California Public Utilities Commission (“CPUC”), and the entire market should be more competitive. Eventually, with the ability to choose among many carriers for all aspects of our telecommunications needs, we hope to finally enjoy the benefits envisioned by the Telecommunications Act of 1996.

## **II. THE CALIFORNIA PUBLIC UTILITIES COMMISSION PROCESS WAS OPENANDTHOROUGH**

The CPUC conducted a very open and thorough evaluation of SBC-Pacific Bell’s application. Countless hearings, notices, compliance filings,

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workshops and testings enabled the CPUC to delve into all aspects of this important application, and interested parties had ample opportunity to make their voices heard. CSBRT/CSBA was among those organizations that offered comments. To that end, SBC's application to the Commission accurately reflects the immense progress it has made – on its own and also in response to the comments in the proceeding -- to meet the requirements set forth by Telecommunications Act of 1996.

### **III. CHECKS AND SAFEGUARDS ARE IN PLACE**

Many telecommunications companies still have no economic interest in SBC-Pacific Bell entering the long distance market and will concentrate their comments at the Commission on a few areas identified by the CPUC decision for further work. Indeed, while many in industry may want to continue the ongoing debate, small businesses and residential customers in California have a strong interest in moving ahead. Now that the CPUC has found that SBC-Pacific Bell has substantially satisfied the requirements, CSBRT/CSBA respectfully requests that the Commission do its part in opening up the long distance industry in California to complete competition.

In so doing, we believe that the Commission can rest assured that the Telecommunications Act contains a number of safeguards to prevent anticompetitive behavior. It provides that if the RBOC ceases to meet any of the conditions required for entry into the long distance market, the Commission may order the company to correct the deficiency. The Commission may also impose

substantial penalties or suspend or revoke the company's authority to provide long distance service. These remedies are in addition to those provided under federal and state antitrust laws and the CPUC's authority to investigate the company's practices, order corrective action and impose fines for violation of CPUC orders.

Therefore, while we have every reason to believe that SBC-Pacific Bell will continue on its path of progress, we are confident that should there be backsliding, the Commission and the CPUC have the proper tools to protect the interest of small business and residential consumers.

#### **IV. CONCLUSION**

For the reasons set forth above, we urge the Commission to grant SBC Communication Inc.'s application for authorization under Section 271 of the Communications Act to Provide In-Region, Interlata Service in California.

Respectfully submitted,

Maryanne McCormick  
CSBRT/CSBA  
954 Carol Lane  
Lafayette, CA 94549  
925/283-6264

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